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## CENTRAL INTELLIGENCE AGENCY

## INFORMATION REPORT

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COUNTRY	China	REPORT	
SUBJECT	Attempts by Chinese Communists to Encourage Mainland Exports	DATE DISTR.	6 July 1954
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This is UNEVALUATED Information

THE SOURCE EVALUATIONS IN THIS REPORT ARE DEFINITIVE.  
THE APPRAISAL OF CONTENT IS TENTATIVE.  
(FOR KEY SEE REVERSE)

1. [ ] the Chinese Communist Customs Office in Chuanchou (N 24-50, E 115-48) announced that since sufficient quantities of consumer type goods were now on hand in China to meet ordinary requirements the government as from March 1954 would ban further importation of such goods. However, the ban would not affect the current Communist program relevant to offshore procurement of strategic materials.
2. The ban on consumer type goods would thus put into effect a plan aimed at increasing exports from the Chinese mainland consisting of the following:
  - a. Duty-free exportation of local products.
  - b. Exporters could either import strategic materials in an amount equivalent to the value of their exported produce or could receive payment for their exports through the purchaser remitting the purchase price to the exporter through the medium of one of the Chinese Communist banks [ ]. The bank then would take the foreign exchange and convert it into Chinese Communist currency before remitting it to the exporter.
  - c. If the exporter should sustain any loss due to inability of disposing of his foreign currency for JMP, the government would recompense him for this loss.

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1. [ ] Comment. The Chinese Communist Government is interested in acquiring additional foreign exchange.

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